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BEFORE THE  
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
Santa Fe, New Mexico

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TRANSCRIPT OF PROCEEDINGS

CASE NO. 676 & 677

Regular Hearing

March 17, 1954

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
SANTA FE, NEW MEXICO  
March 17, 1954

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IN THE MATTER OF:

Mid-Continent Petroleum Corporation's appli-  
cation for approval of unorthodox gas pro-  
duction unit in the Tubb Gas Pool: S/2 S/2  
16-21S-37E.

} Case No. 676

Mid-Continent Petroleum Corporation's appli-  
cation for approval of unorthodox gas pro-  
duction unit in the Blinbry Gas Pool:  
S/2 S/2 16-21S-37E.

} Case No. 677  
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TRANSCRIPT OF PROCEEDINGS

MR. SPURRIER: For purposes of presentation, we will con-  
solidate 676 with 677.

MR. PIERCE: My name is E. J. Pierce. I am an engineer,  
and employed as such by Mid-Continent Petroleum Corporation, and  
serve in the capacity of Assistant Division Manager of the Texas,  
New Mexico division. That office is in Midland, Texas, and the  
operations of our company in Lea County, New Mexico, are handled  
through that office. For the sake of convenience and time, we have  
asked to combine Cases No. 676 and 677, inasmuch as it is the same  
request, same application for the same lease, but two different pay  
zones on that lease. I would like to submit to the Commission as  
Exhibit No. 1, an ownership plat of Section 16, 21 South, 37 East,  
showing Section 16 and all surrounding sections. The Mid-Continent  
Petroleum Corporation State 15 lease is indicated on that plat and

cross hatched in green. Also shown on that plat is the ownership of all surrounding tracts. In addition, we have indicated on Exhibit 1, all Tubb gas wells in the area, and also the one Tubb gas well on the Mid-Continent State 15 lease.

MR. SPURRIER: Mr. Pierce, you have qualified before this Commission before, have you not?

MR. PIERCE: No, I have not.

MR. SPURRIER: Would you like to give us a short resume of your qualifications?

MR. PIERCE: Yes, sir, I will do that. I have graduated from Oklahoma University, 1939, with mechanical engineering degree bachelor of science degree. I have served since that time in the capacity of petroleum engineer with various companies, with the exception of four years spent in the Army, and for the past eight years I have been employed by Mid-Continent Petroleum Corporation, and have served as a petroleum engineer in the Texas, New Mexico division office.

MR. SPURRIER: That is good.

MR. PIERCE: I also want to submit as Exhibit Number 2 a copy of the original application of Mid-Continent Petroleum Corporation for an unorthodox gas unit for its State 15, well number four in the Tubb Gas Pool. I want to submit as Exhibit Number three--

MR. SPURRIER: (Interrupting) Let's make that Exhibit 1 in Case 677.

MR. PIERCE: Exhibit 1 in Case 677. A plat of Section 16, 21 South, 37 East, together with all surrounding sections, showing ownership and the Mid-Continent State 15 lease, cross hatched in

green, and indicating on that plat all Blinebry gas wells in red and the proposed Blinebry gas well on the Mid-Continent State 15 lease as a dotted circle. I would like to submit as Exhibit No. 2 in Case 677, the original application of Mid-Continent for an unorthodox gas unit State 15 lease for well number three in the Blinebry Gas Pool. From a study of the radioactivity and electric logs on the wells which we have drilled on our lease and on surrounding wells, it is our feeling that the Tubb and Blinebry Gas Pools are productive across the entire width of the lease. We have, at this time, completed or made a preliminary completion of our State 15, Well Number Four in the Tubb Gas zone, and have found it to be productive there. We also have experiences encountered while drilling the wells back originally, which were drilled to the Drinkard pay, at which time we experienced and encountered gas in these various zones. We are asking that the 160 acres of the State 15 lease be incorporated as a proration unit because of the impracticality to utilize it with other acreage of the section. We have such acreage of our own for a full 160 acre unit. And for other reasons, it was felt undesirable to engage in the unitization agreement for this 160 acre lease. I would like to refer to the Amerada application in Case No. 642, for a similar unorthodox gas unit for the north half of the south half of Section 16, 21 South, 37 East. By virtue of this prior application for an unorthodox gas unit, there was left only the south half of the south half of Section 16, 21 South, 37 East, to be incorporated in this unit. It is our opinion in this matter that granting this application will not interfere with the formation of other standard units in this Section 16 or any section adjacent to Section 16. Granting this application for this unorthodox proration

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ALBUQUERQUE, NEW MEXICO

unit will not cause the drilling of any unnecessary wells. The granting of this application will not start a so-called chain reaction that, of necessity, would have to be carried into other sections. We do feel, however, that granting this application will permit the recovery of the gaseous hydrocarbons underlying this lease with a minimum of expense in a non-wasteful manner. The granting of this application will permit four 160 acre units in this section. The granting of this application will minimize drainage across lease lines by establishing uniform flowing rates in off-set wells. The Amerada has been advised of our intention to form this unit in our application, and have offered us no objection. We would have no objection to the formation of similar units in the Tubb and Blinebry Pools.

In conclusion, we request that as an exception to Rule 7A of the Commission's Orders R-372-A and R-373-A, that the Mid-Continent Petroleum Corporation State Land 15 lease be assigned as a 160 acre unorthodox proration unit attributed to both the Tubb completion in well number four and the Blinebry completion in well number three, and that a full unit allowable be granted to each of these wells upon the proper filing of such reports and forms as have been prescribed by the Commission following the completion of these wells.

MR. SPURRIER: Does anyone have a question of the witness?

MR. ABBOTT: W. G. Abbott, Amerada. We are in full agreement with Mid-Continent in these two applications for these unorthodox gas proration units; and as pointed out here, this will take care of the entire south half of the Section 16.

MR. SPURRIER: Anyone else? Is there objection to Mr. Pierce's proposal? If not, the witness may be excused. We will take the cases

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under advisement and go on to Case 678.

STATE OF NEW MEXICO       )  
                                  } ss.  
COUNTY OF BERNALILLO    }

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 24th day of March, 1954.

  
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Notary Public, Court Reporter

My Commission Expires:

June 19, 1955.